Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

# Message Text

LIMITED OFFICIAL USE

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ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03
INR-10 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03
SP-02 LAB-04 SIL-01 OMB-01 DODE-00 PM-05 H-01
L-03 NSC-05 PA-01 SS-15 CEA-01 STR-07 /096 W
----------033604 251337Z /45
R 241623Z FEB 78
FM AMEMBASSY LISBON
TO SECSTATE WASHDC 4858
INFO AMEMBASSY BONN

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E.O. 11652: N/A
TAGS: ECON PO
SUBJECT: PRIME MINISTER SOARES FORESEES SEVERE AUSTERITY PROGRAM

1. BEGIN UNCLASSIFIED: LISBON PRESS OF FEB 24 CARRIES BRIEF EXCERPTS FROM INTERVIEW BY PRIME MINISTER SOARES PUBLISHED IN SEVERAL EUROPEAN JOURNALS. LOCAL PRESS REPORTS THAT PRIME MINISTER STATED THAT PORTUGAL'S BALANCE OF PAYMENTS DEFICIT WOULD BE REDUCED THIS YEAR TO $800 MILLION. THIS REDUCTION WOULD OCCUR, PRIME MINISTER REPORTEDLY STATED, BECAUSE IT IS OF ABSOLUTE ECONOMIC NECESSITY AND NOT BECAUSE OF IMF INSISTENCE. THE POLICIES NECESSARY TO ACHIEVE THIS REDUCTION WILL HAVE SEVERE SOCIAL CONSEQUENCES. END UNCLASSIFIED.

2. BEGIN LIMITED OFFICIAL USE: COMMENT: PRIME MINISTER'S STATEMENT APPEARS TO BE GOP INITIAL CAMPAIGN EFFORT TO PREPARE PUBLIC FOR SIGNIFICANT ECONOMIC MEASURES. FINANCE MINISTER VITOR CONSTANCIO TOLD EMBOFFS FEB 23 THAT AUSTERITY MEASURES WOULD HAVE TO BE EVEN MORE SEVERE THAN HE HAD ANTICIPATED. THE NATIONAL BUDGET, FOR EXAMPLE, IS IN SUBSTANTIALLY GREATER IMBALANCE THAN HE HAD EXPECTED. AS A RESULT,
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FURTHER TAX INCREASES AND EXPENDITURE REDUCTIONS WILL BE INSTITUTED. PRICES FOR SUBSIDIZED COMMODITIES AND PUBLIC SECTOR SERVICES WILL HAVE TO RISE VERY SHARPLY. THESE PRICE CHANGES WILL BEGIN IN MARCH.
OKUN

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NNN

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# Message Attributes

**Automatic Decaptioning:** X
**Capture Date:** 01 jan 1994
**Channel Indicators:** n/a
**Current Classification:** UNCLASSIFIED
**Concepts:** ECONOMIC STABILITY, ECONOMIC PROGRAMS
**Control Number:** n/a
**Copy:** SINGLE
**Draft Date:** 24 feb 1978
**Decaption Date:** 01 jan 1960
**Decaption Note:**
**Disposition Action:** RELEASED
**Disposition Approved on Date:**
**Disposition Case Number:** n/a
**Disposition Comment:** 25 YEAR REVIEW
**Disposition Date:** 20 Mar 2014
**Disposition Event:**
**Disposition History:** n/a
**Disposition Reason:**
**Disposition Remarks:**
**Document Number:** 1978LISBON01430
**Document Source:** CORE
**Document Unique ID:** 00
**Drafter:** n/a
**Enclosure:** n/a
**Executive Order:** N/A
**Errors:** N/A
**Expiration:**
**Film Number:** D780088-0145
**Format:** TEL
**From:** LISBON
**Handling Restrictions:** n/a
**Image Path:**
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**Litigation Codes:**
**Litigation History:**
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**Office:** ACTION EUR
**Original Classification:** LIMITED OFFICIAL USE
**Original Handling Restrictions:** n/a
**Original Previous Classification:** n/a
**Original Previous Handling Restrictions:** n/a
**Page Count:** 2
**Previous Channel Indicators:** n/a
**Previous Classification:** LIMITED OFFICIAL USE
**Previous Handling Restrictions:** n/a
**Reference:** n/a
**Retention:** 0
**Review Action:** RELEASED, APPROVED
**Review Content Flags:**
**Review Date:** 05 may 2005
**Review Event:**
**Review Exemptions:** n/a
**Review Media Identifier:**
**Review Release Date:** N/A
**Review Release Event:** n/a
**Review Transfer Date:**
**Review Withdrawn Fields:** n/a
**SAS ID:** 3489462
**Secure:** OPEN
**Status:** NATIVE
**Subject:** PRIME MINISTER SOARES FORESEES SEVERE AUSTERITY PROGRAM
**TAGS:** ECON, PO, (SOARES, MARIO)
**To:** STATE
**Type:** TE
**vdkvgwkey:** odbc://SAS/SAS.dbo.SAS_Docs/26cf38d0-c288-dd11-92da-001cc4696bcc
**Review Markings:**
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US Department of State
EO Systematic Review
20 Mar 2014
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014